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Revised budget estimates for the biennium 2000-2001, budget estimates for the biennium 2002-2003, and report on the level of the operational reserve

Report of the Executive Director

SUMMARY

The present document contains revised budget estimates for the biennium 2000-2001 and budget estimates for the biennium 2002-2003 for the United Nations Office for Project Services. They have been reviewed by the Management Coordination Committee and submitted to the Advisory Committee on Administrative and Budgetary Questions.

Both the clientele served and the types of services UNOPS provides are changing substantially. These changes are challenging the organization and the mechanisms it uses for planning and budgeting: there is less predictability and stability in the UNOPS business environment than there was in 1995, when UNOPS was established. Consequently, UNOPS anticipates that the present and future budget submissions to the Executive Board will be more susceptible to ongoing adjustment than has heretofore been the case; more frequent budget updates may also be provided to the Executive Board as required by circumstances.

In addition, ongoing reviews of the relationship between UNOPS and UNDP that have been taking place for the last few years have caused uncertainty both internally and externally, with consequent impact on delivery of UNOPS services, not unlike the situation in 1994, when the prolonged deliberations on the future status of the then Office for Project Services had a negative impact on its key business parameters.

The revised targets for the biennium 2000-2001 position UNOPS to begin to fulfil the commitments made to the Executive Board by the Executive Director at the first regular session 2001. The 2001 target for project delivery was increased from $590 million to $616 million; the total income target therefore rises from $51.6 million to $56.8 million; and administrative budget provisions are increased from $51.6 million to $55.3 million. UNOPS will thus meet its commitment to begin replenishment of the UNOPS operational reserve by applying $1.5 million to the reserve.

The budget estimates for the biennium 2002-2003 envisage total project delivery of $1.264 billion, with associated income estimated at $97.3 million. Total income for the biennium is projected to be $116.2 million while administrative budget requirements are projected to be $113 million. The $3.2 million projected excess of income over expenditure will be applied to the replenishment of the UNOPS operational reserve, increasing the balance to $15.2 million by the end of the biennium.

As requested by the Executive Board in its decision 99/16, the present document also includes a review of the level of the operational reserve on the basis of which the Executive Director recommends a modification of the formula by which the level is set.

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I. INTRODUCTION

1. The present report contains the revised budget estimates for the biennium 2000-2001 and the budget estimates for the biennium 2002-2003 for the United Nations Office for Project Services (UNOPS), which are submitted in accordance with Executive Board decision 94/32 of 10 October 1994. In accordance with decision 99/16, the present report also includes a review of the level of the UNOPS operational reserve.

2. Pursuant to UNOPS Financial Regulations, the present budget estimates are being submitted through and have been reviewed by the Management Coordination Committee (MCC). They have also been considered by the Advisory Committee on Administrative and Budgetary Questions (ACABQ).

3. In 2000, UNOPS achieved 99 per cent of its business acquisition target, 79 per cent of its total delivery target, and 94 per cent of its total income target, while total administrative expenditures were 1 per cent above the approved budget. The shortfall of delivery and income in 2000 contributed to the situation where recurring expenditures exceeding income by $3.8 million, as explained in the annual report of the Executive Director (DP/2001/19). UNOPS covered this shortfall in income by using the operational reserve, in accordance with the relevant provisions of the Financial Regulations and Rules.

4. The budget approved in Executive Board decision 2000/20 projected a total 2000 income of $51.6 million and total administrative expenditures of $54.7 million: $51.6 million for recurring expenditures and $3.1 million for non-recurring expenditures. Actual total income for 2000 amounted to $48.5 million, which was $3.1 million less than projected in the approved budget. Actual administrative expenditures totalled $55.3 million, of which $52.3 million were recurring expenditures and $3.0 million non-recurring expenditures. Recurring administrative expenditures were $0.7 million more than budgeted while non-recurring expenditures were $0.1 million less than projected. These expenditures are explained in paragraphs 14 through 29.

5. The drawdown from the operational reserve at the end of 2000 reduced the 2001 opening balance to $10.6 million, rather than the projected $14.3 million. This level is 26 per cent below the amount originally forecast, and 50 per cent below the level called for by application of the operational reserve formula. However, projected replenishments to the reserve of $1.5 million in 2001 and $3.2 million in the biennium 2002-2003 will begin the reserve replenishment process mentioned in paragraph 5 of document DP/2000/37.

II. REVISED PROJECTIONS OF INCOME AND ESTIMATED BUDGET EXPENDITURES FOR THE BIENNIUM 2000-2001

6. The revised estimates for the biennium 2000-2001 are based on actual delivery, income, and expenditure for 2000, and on projections of delivery, income, and expenditure for 2001.

7. The total project portfolio, consisting of funds committed by UNOPS clients for the implementation of their projects, amounted in mid-2001 to $1.5 billion. UNOPS also maintains its loan portfolio, amounting in mid-2001 to $2.2 billion, under which fee-based loan supervision and administration services are provided primarily, at present, to the International Fund for Agricultural Development (IFAD). In addition to these two primary service areas, UNOPS began in 2000 to provide fee-based advisory services and to develop private-sector partnership portfolios.

A. Income

8. In the revised budget estimates for the biennium 2000-2001, DP/2000/37 total income for the biennium was projected to be $103.2 million. The revised biennial income projection is $105.3 million, reflecting an overall increase of $2.1 million, based on actual income of $48.5 million in 2000 and projected income for 2001 of $56.8 million. Table 1 provides an overview of income performance and projections for the bienniums 1998-1999, 2000-2001, and 2002-2003. Details of the components of UNOPS income are provided in paragraphs 9 through 13.

1. Income from implementation of the project portfolio

9. Actual project delivery in 2000 of $471.1 million generated income of $36.8 million. These figures correspond to 80 per cent and 86 per cent, respectively, of the approved budget targets for project delivery and income. The shortfalls are explained in the annual report (DP/2001/19) of the Executive Director. The approved project delivery and income targets for 2001 of $590 million and $42.7 million, respectively, are revised upwards to $616 million for project delivery and to $47.4 million for project income. This upward revision reflects an increase in project delivery of $26 million, or 4 per cent, over the approved budget and an increase of $144.9 million, or 31 per cent, over the actual results achieved in 2000.

10. The revised forecast reflects a projected income-to-delivery ratio of 7.7 per cent on the overall project portfolio, which is slightly lower than the 7.8 per cent ratio of 2000, but is consistent both with the changing nature of UNOPS services and with previous calculations of this ratio.

2. Income from services provided on the loan portfolio

11. In 2000, fee income from the provision of loan-administration and supervision services totalled $6.3 million, compared with the approved budget of $6.1 million. The revised income estimate for 2001 loan portfolio services to IFAD is $7.3 million. The increase in projected loan supervision and administration income is based on an increased volume of IFAD work assigned to UNOPS and on a renegotiated fee structure.

3. Income from services provided under the advisory services and partnership portfolios

12. These two new service portfolios generated an income of $0.2 million in 2000. As these activities expand, the 2001 income is projected to increase to $0.7 million. The nature of activities undertaken under these portfolios is described in the annual report of the Executive Director (DP/2001/19). This trend represents a small but important contribution to the development and diversification of the services provided by UNOPS.

4. Other income

13. UNOPS total income also includes interest income and contributions from host governments as well as minor amounts from other sundry and occasional sources. As explained in document DP/2001/19, in 2000 this income totalled $5.2 million, compared with the approved budget of $2.8 million. The revised forecast for 2001 is for $1.4 million and includes interest income, a host-government contribution, and other rental and service income.

B. Administrative expenditures

14. The approved budget (table 2) for total administrative expenditures for the biennium 2000-2001 is $106.3 million. The present revision, based on total 2000 actual expenditure of $55.3 million and on revised 2001 projections of $55.3 million, amounts to $110.6 million. This represents an increase of $ 4.3 million, or 4 per cent, of the existing approved budget. The 2000 budget included provisions of $3.1 million under non-recurring administrative expenditures, against which actual expenditures of $3.0 million were recorded. Neither the approved budget nor the present revision include any further provisions for exceptional non-recurring expenditure items.

1. Staffing resources

15. The revised total for salaries and common staff costs for the biennium 2000-2001 is $49.9 million, which is $0.9 million less than the existing approved budget. As noted in paragraph 9, however, UNOPS is increasing its project delivery projection for 2001 by 4 per cent against the approved budget, 3 per cent over the actual budget in 2000. As Executive Board members have noted in previous Board sessions, it is easier for an organization such as UNOPS to take on additional staff in response to rising demand than it is to effect reductions. Mindful of this challenge and of the expressed concern of the Board, UNOPS will continue to monitor its staffing arrangements and costs closely in view of the changes in the UNOPS portfolio.

16. The Executive Director advises the Executive Board that, as reflected in table 3, a total of 45 posts at the P-5 level and below have been established while 32 have been abolished. These actions reflect the impact of changes in portfolios and activities on the required knowledge and skill profiles of staff. Posts funded under the administrative budget but relating to time-bound project activities show no overall movement, with six such posts having been established and six abolished.

17. Two additional elements of the resourcing of UNOPS service capacity are temporary assistance and staff members holding contracts for activities of limited duration (ALD). Temporary assistance is projected at $2.0 million, which is $0.8 million, or 28 per cent, less than the actual expenditure incurred in 2000, and slightly under the existing approved budget for 2001. The decrease reflects the continuing effort to manage these resources efficiently and to ensure that optimum use is made of existing staff resources before filling gaps with temporary assistance. ALD expenditure is projected at $4.3 million for 2001, a 30 per cent increase over the 2000 actual expenditure of $3.3 million, and an increase of 34 per cent over the approved budget of $3.2 million. This increase is the result of the impact of the first full year of UNOPS investment in the strategic areas of private-sector partnerships, business development, and strategic planning, which accounts for $0.5 million of the increase, with a further $0.4 million to ensure the continuation of essential information technology systems development.

2. Other expenditures

18. A sizeable increase in expenditure on consultants is forecast in the revised submission for 2001. The revised budget for 2001 projects expenditure of $2.7 million, in contrast to actual expenditure in 2000 of $2.2 million, an increase of $0.5 million, or 23 per cent. The upward revision is $1.3 million, or 93 per cent, above the approved budget of $1.4 million. The major part of this increase is due to implementation of recommendations of the external auditors to reflect total fee income and costs associated with the IFAD loan portfolio separately, in place of the previous "net income" reporting approach. There is also a real increase of $0.4 million compared to expenditures in 2000, which reflects an increase in the use of consultants for information systems development and support and an increase in the volume and cost of UNOPS services on behalf of IFAD.

19. Staff travel costs, projected at $2.2 million, are $0.5 million, or 44 per cent, above the approved budget, but they are $0.6 million, or 21 per cent, less than the actual expenditure incurred in 2000. The variance against the approved budget is related to the changes in recording and reporting of IFAD service income and associated costs, as described in paragraph 18. The reduction in travel cost relative to 2000 actual expenditure, despite an increase in the volume of IFAD services, reflects the UNOPS effort to reduce expenditure on travel and to make use of alternative communication modalities, such as video-conferencing.

20. Total contract costs, projected at $1.5 million, are $0.5 million, or 50 per cent, above both the approved 2001 budget and actual expenditure in 2000. This reflects the use of contractors to assist in building and converting computer applications software, and in the ongoing information technology work aimed at improving UNOPS project-reporting systems.

21. Rental and maintenance of premises at $4.9 million represents an increase of $0.2 million against the approved budget and $0.3 million against the actual expenditure for 2000. The increase includes costs associated with the retention of office space in New York beyond the expected timeframe.

22. Communications costs include both physical communications through couriers, mail, etc., and electronic communications, particularly data transfer and videoconferencing and their associated infrastructure. The revised projection for 2001 amounts to $1.8 million, compared with an approved budget of $1.6 million and actual expenditure of $1.1 million in 2000. The increase is primarily due, on the one hand, to the continuing development of videoconferencing to replace travel where appropriate, and, on the other hand, to investment in communications infrastructure to support the increasingly important movement of data between New York and decentralized offices.

23. The inclusion of separate lines for expenditure on mainframe hardware and maintenance of personal computer hardware reflects the growing significance of these objects of expenditure. These budgets and expenditures have previously been included under the overall heading of computer systems equipment and miscellaneous services.

24. The revised budgets for office supplies and furniture and equipment total $0.6 million, a decrease from both the approved budget total of $0.8 million and actual 2000 expenditure of $0.9 million.

25. The revised budget projection of $0.8 million for computer hardware and software is lower than the approved budget of $1.1 million, but higher than the actual expenditure of $0.2 million in 2000. The principal element of the revised expenditure projection for 2001 is the first phase of upgrading the UNOPS information technology platform to accommodate web-based applications development and operations.

26. The Executive Director intends to establish an internal management oversight mechanism initially within existing resources. The unit would report directly to the Executive Director and assist him in addressing control, quality assurance and standards issues, as well as relations with internal and external oversight bodies.

3. Reimbursements to UNDP, the United Nations Secretariat and other United Nations organizations for services provided

27. The revised budget projects $3.0 million for payments to other United Nations organizations and to UNDP country offices for support that UNOPS obtains from them in the implementation of its project portfolio. The contributions to UNDP country offices are particularly significant, hence UNOPS attaches considerable importance to the system-wide discussions on the nature and extent of payments by organizations to UNDP for services obtained at the country level, without which the ad hoc nature of these reimbursement arrangements will continue.

28. The projected payments to UNDP for central support services, including those provided by the UNDP Office for Audit and Performance Review (OAPR), total $2.7 million for 2001. This amount compares with actual costs in 2000 of $3.4 million and an approved budget of $3.3 million. The reduction of $0.6 million reflects two elements: (a) the partial agreement reached on changes in the nature and extent of services received in the finance area following the implementation of the Integrated Management Information Systems (IMIS); and (b) anticipated cost reductions of human resources relating services provided by UNDP, resulting from the introduction of IMIS and from implementation of the delegation of authority in personnel matters to the Executive Director. Draft agreements in the areas of information systems and finance and administrative services are also currently under review.

29. The projected $1.0 million payment to the United Nations Secretariat for services received by UNOPS is $0.2 million lower than expenditure in 2000, but $0.4 million higher than the approved budget. This increase against the approved budget reflects the recent agreement reached between the United Nations Secretariat and UNDP, UNFPA, the United Nations Children's Fund (UNICEF), and UNOPS. The agreement describes the nature of the services provided by the United Nations to these bodies and establishes the basis on which these services are to be reimbursed.

III. PROJECTIONS OF INCOME AND ESTIMATED BUDGET EXPENDITURES FOR THE BIENNIUM 2002-2003

30. UNOPS is facing a very different business environment than that prevailing at the time of its establishment in 1995. UNOPS has successfully implemented the client diversification strategy urged by all parties, including the Executive Board, ACABQ, the MCC, and the Joint Inspection Unit (JIU). Along with the diversification of clients has come increasing variation in the types of services UNOPS provides, in the scope and duration of project services, and in the compensation modalities. UNOPS is challenged to examine and improve its operational and management mechanisms and practices on a continuous basis.

31. UNOPS is submitting budget proposals for the 2002-2003 biennium that assume, for now, the continuation of its existing project and service portfolios and present organizational structure. The budget for 2002 comes from projections developed by UNOPS operations divisions in a business-planning process that includes these assumptions. Because of the significant, but as yet unquantified, impact of the changes described below, UNOPS has decided to use this 2002 information as the best available basis for the budget for 2003.

32. At the end of 2000, UNOPS launched an organizational change process that focuses on a reorientation of the organization around client accounts. This process will result in changes in structure, location, technology, and work processes: the details of these changes are still being refined. The financial impact of this work is also being assessed, including opportunities for productivity and to translate productivity gains into improved value to clients. When this work has been completed, UNOPS will bring details of the new arrangements to the attention of the Executive Board, and submit, if appropriate, a supplementary budget, including the potential use of the operational reserve in connection with personnel-related liabilities resulting from the organizational changes.

33. As indicated during the annual session 2001 of the Executive Board, the Executive Director is also concerned that UNOPS might face an experience similar to that of 1994, when prolonged deliberations regarding its future status had a negative impact on its operations, thus resulting in lower levels of acquisition and delivery.

34. The projected delivery from the project portfolio is forecast at $632 million for both 2002 and 2003, yielding a total projected delivery for the biennium of $1.264 billion. This represents an increase of $176.9 million, or 16 per cent, over the revised 2000-2001 delivery projections. This delivery is estimated to yield income of $97.3 million for the biennium, which together with service and other income is forecast to generate total income of $116.2 million for 2002-2003.

35. The proposed administrative expenditures for 2002 and 2003 are also based on the business plans of the operational divisions, and follow closely from the revised estimates for 2001. Administrative expenditures are projected at $56.5 million for each year, totalling $113 million for the biennium 2002-2003. The only significant difference between the revised estimates for 2001 of $55.3 million and those for 2002 and 2003 is a projected increase in staff costs to cover salaries and normal increments.

36. The above delivery, income and administrative expenditure forecasts a transfer to the UNOPS operational reserve of $1.6 million for each year of the biennium. These transfers to the operational reserve will raise the balance from $12 million at the end of 2001 to a total of $15.2 million at the end of 2003.

IV. REVIEW OF THE LEVEL OF THE OPERATIONAL RESERVE

37. In response to the Executive Board decision 99/16, the Executive Director submits the following report on the appropriateness of the level of the operational reserve.

38. In its decision 97/21, the Executive Board established the UNOPS operational reserve to cover shortfalls in income and uneven cash flows, professional or contractual liabilities associated with UNOPS services, and liabilities associated with UNOPS personnel contracts funded from the UNOPS account. The reserve was to be funded at the rate of 4 per cent of the combined expenditure on administrative and project budgets of the previous year.

39. In its decision 98/20, the Executive Board approved the charging against the operational reserve of an excess of expenditure over income arising from extraordinary non-recurring expenditures, namely the required investment in information systems related to the implementation of IMIS releases 3 and 4 and Y2K issues, and the relocation of UNOPS headquarters in New York following the expiration of its existing office lease.

40. Movements on the operational reserve starting with the biennium 1998-1999 are presented in table 1. Charges to date against the operational reserve fall into the two categories of exceptional non-recurring expenditures and shortfalls of income. In the biennium 1998-1999, exceptional non-recurring expenditures totalled $18.2 million, including $14.1 million for the headquarters relocation project and $4.1 million for information systems investments. Income earned during the biennium covered $14.2 million of this exceptional expenditure, with the balance of $4.0 million being charged to the operational reserve. In 2000, the charge to the operational reserve included $3.0 million of the approved $3.1 million for non-recurring information systems investment and $3.8 million resulting from an unanticipated shortfall in income. In the revised budget for 2001 and the budget estimates for 2002-2003, no further exceptional non-recurring expenditures are included and a contribution to the operational reserve is projected.

41. Based on experience to date, the current funding level of the operational reserve, targeted at 4 per cent of the combined expenditure on administrative and project budgets of the previous year, appears sufficient to meet the requirements originally included in the definition of the operational reserve. This view is confirmed by a recent review by the consultant firm KPMG of UNOPS performance in 2000 and outlook for 2001. Two new issues have been identified, however, which merit further consideration. One is the appropriate level of funding for after-service medical and dental benefits for retired staff members. The second relates to the fluctuations in the level of the operational reserve that derive from the single-year basis of the calculation formula.

42. United Nations Accounting Standards call on organizations to identify the value of the obligations relating to General Assembly resolutions on the provision of after-service medical and dental benefits to retired staff members and, where possible, to establish a mechanism through which these obligations will be funded. These obligations were not considered in the original definition and calculation of the UNOPS operational reserve. UNOPS is currently working with the United Nations Secretariat and with UNDP to establish the level of obligations pertaining to UNOPS staff, both against the UNOPS Account and project accounts. Pending

conclusion of this work and the determination of the impact on the level of funding required for the operational reserve, UNOPS will fund obligations in this area from the existing reserve. Effecting this change would require a modification to UNOPS Financial Regulation 8.3(a)(iv) as follows (deletions are indicated in square brackets):

"Regulation 8.3:

(a) Within the UNOPS Account, an operational reserve shall be established at a level set by the Executive Board. The elements to be compensated for and covered by it shall be limited to:

...

(iv) Liabilities associated with UNOPS personnel contracts [financed from the UNOPS Account]."

43. The level of the operational reserve and funding requirements have fluctuated from year to year as project delivery and administrative expenditure have varied, as noted by KPMG in their recent report. KPMG advocated replacing the present formula, and therefore the funding requirements, with a calculation that moves from the existing single-year calculation of the reserve level to a three-year moving average of expenditure on administrative and project budgets.

44. Implementation of this proposal will have the following impact: based on application of the existing formula, the operational reserve level at the beginning of 2001 would be set at 4 per cent of $526.4 million, i.e., $21.1 million. The new proposal would take 4 per cent of the average of the project delivery and administrative expenditures for 1998, 1999, and 2000. The average of these expenditures, $576.7 million, would, at a rate of 4 per cent, produce an operating reserve requirement $23.1 million. While the difference between the calculations is not large, the new proposal will produce a more stable and less variable operational reserve level that more effectively achieves the buffering effect of the reserve. Adopting this new formula would not require a modification to the current Financial Regulation 8.3.

45. The Executive Director confirms that drawdowns from the operational reserve will continue to be reported in his UNOPS annual report to the Executive Board and that monitoring of the level of the reserve will remain subject to biennial review and reporting in conjunction with the budget submission.

V. EXECUTIVE BOARD ACTION

46. The Executive Board may wish to :

1. Take note of the report of the Executive Director on revised budget estimates for the biennium 2000-2001, budget estimates for the biennium 2002-2003 and review of the level of the operational reserve (DP/2001/28);

2. Approve the revised budget estimates for the 2000-2001 biennium in the amount of $110.6 million;

3. Approve the budget estimates for the 2002-2003 biennium in the amount of $113.0 million;

4. Approve the staffing level as proposed for the biennium 2000-2001;

5. Approve the modification to UNOPS Financial Regulation 8.3(a)(iv), as contained in paragraph 40 of document DP/2001/28; and

6. Approve the proposal to change the basis for the calculation of the level of the UNOPS operational reserve to 4 per cent of the rolling average of the combined expenditure on administrative and project expenditures for the three previous years.

Table1. Projections of project expenditures and income for the biennium 2000-2003, with comparative figures for the biennium 1998-1999
(in millions of dollars)

	Actual 1998-1999	Actual 2000	Projected 2001	Revised 2000-2001	Projected 2002	Projected 2003	Projected 2002-2003
Delivery - projects	1,097.7	471.1	616.0	1,087.1	632.0	632.0	1,264.0
- services	371.0	193.0	217.0	410.0	-	-	-
Total delivery	1,468.7	664.1	833.0	1,497.1	632.0	632.0	1,264.0
Income							
Income from implementation of project portfolio	86.5	36.8	47.4	84.2	48.7	48.7	97.3
Income from "services only"	9.9	6.5	8.0	14.5	8.0	8.0	16.0
Other income	5.6	5.2	1.4	6.6	1.4	1.4	2.8
Total income	102.0	48.5	56.8	105.3	58.1	58.1	116.2
Administrative expenditure							
Recurring administrative expenditures	87.8	52.3	55.3	107.6	56.5	56.5	113.0
Non-recurring administrative expenditures	18.2	3.0	-	3.0	-	-	-
Total administrative expenditures	106.0	55.3	55.3	110.6	56.5	56.5	113.0
Unexpended resources and movements on the operational reserve							
Operational reserve brought forward	20.0	17.4	10.6	17.4	12.0	13.6	12.0
Unexpended resources brought forward	1.4	-	-	-	-	-	-
Direct charge to operational reserve			(0.1)	(0.1)			
Transfer to operational reserve	-	-	1.5	1.5	1.6	1.6	3.1
Transfer from operational reserve	(2.6)	(6.8)	-	(6.8)	-	-	-
Transfer from unexpended resources	(1.4)	-	-	-	-	-	-
Unexpended resources carried forward	-	-	-	-	-	-	-
Operational reserve carried forward	17.4	10.6	12.0	12.0	13.6	15.2	15.2

Calculation of target level for operational reserve	On 1999 results	On 2000 results	On 2001 estimates	On 2002 estimates	On 2003 estimates
Based on existing principles	25.0	21.1	26.8	27.5	27.5
	On 1997/8/9 results	On 98/9/00 results	On 99/00/01 results	On 00/01/02 results	On 01/02/03 results
Based on proposed new principles	22.7	23.1	24 3	25.1	27.3

* Projections agreed with client on an annual basis and not yet available for these years.

Table 2. Revised budget estimates for the biennium 2002-2003
(in thousands of dollars)

	Object of expenditure	Approved estimated expenditure 2000-2001	Total Actual expenditure 2000	Estimated expenditure 2001	Revised estimated expenditure 2000-2001	Estimated expenditure 2002-2003
A10/H10/H12	Salaries	33,846	15,853	17,544	33,397	36,842
A12/H14-61	Common staff costs	16,922	8,089	8,378	16,467	17,591
B10	Temporary assistance	4,158	2,751	2,007	4,758	4,015
B12/	Activities of limited duration (ALD)	6,434	3,309	4,298	7,607	9,027
B10	Overtime	406	193	168	361	336
B12	Consultants	2,880	2,245	2,732	4,977	5,463
B14	Training	868	593	389	982	778
B18	Staff travel	3,338	2,760	2,167	4,927	4,333
B16	Contracts	1,792	849	1,087	1,936	2,174
B16	System development contracts	134	105	445	550	890
B20	Printing and publications	120	109	64	173	127
B22	Rental and maintenance-premises	9,392	4,601	4,935	9,536	9,270
B26	Rental and maintenance of equipment	442	180	393	573	786
B28	Communications	3,244	1,132	1,809	2,941	3,617
B30	Mainframe Hardware	-	-	85	85	170
B32	Miscellaneous services	834	837	501	1,338	1,001
B34	Maintenance of PC Hardware	-	-	132	132	265
B40	Office supplies	626	517	343	860	687
B42	Furniture and equipment	926	356	234	590	469
B44	Computer systems equipment	2,180	194	823	1,017	1,645
C10	Hospitality	34	19	25	44	50
	Subtotal	88,576	44,692	48,559	93,251	99,536
B50	Services provided by UNDP Country Offices and other UN agencies	6,986	3,004	2,966	5,970	5,932
B50	Reimbursement to UNDP					
	- Services provided by UNDP/OAPR	1,740	1,020	1,000	2,020	2,000
	- UNDP central support services	4,772	2,356	1,724	4,080	3,448
	- United Nations central services	1,160	1,180	1,000	2,180	2,000
	Subtotal	14,658	7,560	6,690	14,250	13,380
	Information system project	3,100	3,006	-	3,006	-
	Relocation project	-	-	-	-	-
	Subtotal	3,100	3,006	-	3,006	-
	GRAND TOTAL	106,334	55,258	55,249	110,507	112,916

Table 3. UNOPS current staffing table

Category/post level	Established posts[a] (including core + project) as of June 2000			Posts abolished		Posts reclassified[b] (from 1 June 2000 until 31 May 2001)	Additional core posts[b] (from1 June 2000 until 31 May 2001)	Additional project-related Posts[c]	Grand total (as of 1 June 2001)	Posts filled by series staff (as of 1 June 2001)	Vacant Posts[d]
International	Core	Project	Total	Core	Project						
ASG	1		1						1	1	
D-2	1		1						1	1	
D-1/L-6	16	2	18				0	0	18	18	0
P-5/L-5	41	2	43	(1)		5	5	1	53	47	6
P-4/L-4	52	2	54	(3)	(1)	1 (5)	6	1	53	44	9
P-3/L-3	20	1	21	(1)	(1)	1 (1)	7	0	26	18	8
P-2/L-2	10	2	12	(2)	(1)	1 (1)	1	1	11	11	0
Subtotal	141	9	150	(7)	(3)	1	19	3	163	140	23
Locally recruited											
Principal level (G7/G6)	80	7	87	(7)	(2)	4 (1)	8	2	91	79	12
Other level	166	16	182	(12)	(1)	2 (6)	12	1	178	154	24
Subtotal	246	23	269	(19)	(3)	0 (1)	20	3	269	233	36
Total	387	32	419	(26)	(6)	0	39	6	432	373	59

[a] Executive Board decision 2000/20 of 28 September 2000.

[b] Since decision 2000/20.

[c] Posts strictly relating to specific projects.

[d] Posts that are indicated as vacant include functions covered by non-staff employment (e.g., temporary assistance) as well as posts under recruitment.

United Nations DP/2001/28/Add.1

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Statistical annex

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ABBREVIATIONS

DPA	Department of Political Affairs of the United Nations Secretariat
DPKO	Department for Peace-keeping Operations of the United Nations Secretariat
IDNDR	International Decade for Natural Disasters Reduction
IFAD	International Fund for Agricultural Development
ILO	International Labour Organization
MSA	Management services agreement
OCHA	Office for the Coordination of Humanitarian Affairs of the United Nations Secretariat
OIP	Office of the Iraq Programme of the United Nations Secretariat
UNCCS	United Nations Common Coding System
UNODCCP	United Nations Office for Drug Control and Crime Prevention
UNDP	United Nations Development Programme
UNHCR	Office of the United Nations High Commissioner for Refugees
UNHCHR	Office of the United Nations High Commissioner for Human Rights
UNFPA	United Nations Population Fund
UNMIK	United Nations Mission in Kosovo
UNOPS	United Nations Office for Project Services
UNRISD	United Nations Research Institute for Social Development
WFP	World Food Programme

Table 1. Project delivery by source of funds 1999-2000
(in millions of dollars)

Source of funds	Delivery 1999	2000
UNDP general resources	237.9	178.6
Percentage of total	42.5	37.9
UNDP trust funds	90.3	94.6
Percentage of total	16.1	20.0
Funds through UNDP (MSAs)		
Development banks	28.1	9.4
Percentage of total	5.0	2.0
Unilateral and bilateral grants		
Government	35.1	9.6
Japan	70.8	73.0
Others	29.0	21.7
Subtotal	134.9	104.3
Percentage of total	24.1	22.1
Total through UNDP	163.0	113.7
Percentage of total	29.1	24.1
United Nations organizations		
UNODCCP	21.1	16.3
DPKO	15.0	10.7
UNHCHR	11.0	12.4
OIP	11.0	22.4
Other United Nations organizations a/	10.5	22.4
Subtotal	68.6	84.2
Percentage of total	12.3	17.9
Total	559.8	471.1
Percentage of total	100	100

a/ Includes: DPA, IDNDR, ILO, OCHA, UNHCR, UNRISD, WFP, IFAD

Table 2. Project delivery by component, 1999-2000
(thousands of dollars)

Source of funds	Personnel		Subcontracts		Training		Equipment		Miscellaneous		Grand total	
	1999	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999	2000
UNDP funded projects	103 155	70 780	69 325	55 229	17 443	6 893	24 839	15 197	(3 883)	5 513	210 880	153 611
UNOPS as cooperating/Associated agency												
UNOPS as cooperating agency-UNDP fund	15 385	11 988	7 070	5 728	3 126	2 223	6 125	2 595	(4 675)	344	27 031	22 878
UNOPS as cooperating agency-Trust fund	(258)	1 755	3 869	1 044	275	43	493	5	(165)	229	4 215	3 076
Total UNOPS as Cooperating agency	15 127	13 743	10 939	6 772	3 402	2 267	6 618	2 600	(4 839)	573	31 246	25 954
Projects for other UN organizations												
DPKO	2 539	2 249	6 006	7 262	0	94	5 951	991	164	111	14 661	10 707
UNHCHR	8 447	10 917	706	737	230	216	1 614	145	407	363	11 403	12 377
OIP	1 643	2 655	6 960	12 685	0	0	2 025	6 900	317	164	10 946	22 404
Other UN organizations	6 890	6 130	2 839	1 469	509	446	1 930	15 069	(1 672)	307	10 496	23 420
Total projects for other UN organizations	19 520	21 951	16 511	22 152	738	757	11 520	23 105	(783)	943	47 506	68 909
UNODCCP	6 157	6 568	5 119	4 763	765	129	9 590	3 355	(510)	1 100	21 120	15 916
Trust fund projects												
Montreal Protocol	2 618	2 829	4 608	3 462	150	340	15 505	20 841	(3 291)	614	19 590	28 086
Global Environment Facility	5 143	6 301	11 631	15 466	1 067	1 196	6 047	3 123	(553)	509	23 336	26 595
UNCDF	2 114	1 726	6 112	5 083	15	32	132	241	(361)	(172)	8 011	6 910
Trust funds for Cambodia	829	1 958	7 041	3 093	(2)	65	9	24	(698)	16	7 179	5 157
Other trust funds	8 967	10 743	15 509	8 132	2 110	903	2 777	4 080	(1 373)	705	27 991	24 564
Total trust fund projects	19 671	23 557	44 902	35 236	3 340	2 536	24 471	28 310	(6 277)	1 672	86 107	91 311
Management Service Agreements												
Japan	(1 447)	48	0	2 622	15	(6)	72 227	70 279	3	7	70 797	72 949
World Bank Agreements	4 058	3 212	13 053	4 524	686	257	4 385	(145)	436	125	22 619	7 972
Inter-American Develop Bank	356	538	1 574	(354)	283	(119)	1 852	(209)	39	34	4 105	(111)
Other MSAs	6 983	6 354	22 651	14 688	531	605	38 721	15 732	(3 409)	(2 811)	65 477	34 567
Total MSAs	9 950	10 152	37 279	21 479	1 516	736	117 185	85 658	(2 930)	(2 647)	162 999	115 377
Grand total	173 580	146 752	184 075	145 630	27 204	13 317	194 222	158 225	(19 223)	7 155	559 857	471 079

Table 3. Project delivery by region, 1999-2000
(millions of dollars)

Region	1999 Number of projects	1999 Delivery	2000 Number of projects	2000 Delivery
Interregional and global	337	62.7	319	65.4
Africa	685	182.1	675	116.3
Arab States	223	39.2	220	44.6
Asia and the Pacific	686	89.2	656	90.3
Europe	222	67.1	234	62.4
Latin America and the Caribbean	518	119.5	516	92.1
Total	2 671	559.8	2 620	471.1

Table 4. Project personnel employed, 1999-2000

Type of contract	1999	2000
International consultants	1 768	1 733
Percentage from developing countries	46	47
International experts	731	722
Percentage from developing countries	51	44
National professionals	2 825	3 693
Percentage from developing countries	100	100
Total	5 324	6 148
Percentage from developing countries	72	79

Table 5. Trainees and fellows by nationality, 1999-2000

Country of nationality	1999 Total	Male	Female	2000 Total	Male	Female
Angola	7	6	1	5	4	1
Bangladesh	11	11	0	19	19	0
Benin	81	70	11	195	111	84
Botswana	234	145	89	5	2	3
Burkina Faso	380	138	242	19	11	8
Burundi	2 994	1 949	1 045	3942	2564	1378
Cameroon	24	20	4	12	9	3
Central African Republic	370	279	91	6	4	2
Chad	18	17	1	2	2	0
Côte d'Ivoire	21	15	6	9	7	2
Democratic Republic of the Congo	660	539	121	232	150	82
Djibouti	25	13	12	6	1	5
Egypt	4	2	2	2	2	0
Eritrea	12	12	0	7	6	1
Ethiopia	22	14	8	55	49	6
Gabon	8	8	0	4	1	3
Gambia	23	19	4	25	22	3
Ghana	114	75	39	14	7	7
Guinea	181	93	88	6	4	2
Guinea-Bissau	38	30	8	6	6	0
India	9	8	1	9	8	1
Indonesia	3	2	1	8	8	0
Iran (Islamic Republic of)	13	8	5	2	1	1
Jordan	3	3	0	3	1	2
Kenya	27	13	14	12	6	6
Kyrgyzstan	4	0	4	7	5	2
Lesotho	109	80	29	11	6	5
Liberia	802	600	202	441	356	85
Madagascar	1 135	574	561	1524	988	536
Malaysia	7	6	1	4	3	1
Malawi	11	9	2	6	3	3
Mali	190	131	59	60	41	19
Mauritania	7	4	3	3	3	0
Mauritius	5	5	0	4	4	0
Mexico	2	2	0	2	1	1

(Table 5 continued)

Country of nationality	1999 Total	Male	Female	2000 Total	Male	Female
Mongolia	13	8	5	5	4	1
Morocco	8	7	1	1	1	0
Mozambique	13	6	7	21	12	9
Namibia	24	12	12	579	341	238
Nepal	3	3	0	3	3	0
Niger	20	16	4	5	4	1
Nigeria	336	232	104	141	98	43
Pakistan	19	18	1	24	22	2
Philippines	7	5	2	14	10	4
Republic of Korea	4	4	0	8	8	0
Rwanda	77	48	29	5	2	3
Senegal	67	55	12	16	11	5
Sierra Leone	616	411	205	5	3	2
South Africa	1 099	689	410	578	352	226
Sri Lanka	3	2	1	5	2	3
Sudan	8	5	3	6	3	3
Swaziland	45	31	14	34	28	6
Thailand	4	3	1	13	11	2
Togo	77	61	16	5	4	1
Tunisia	5	3	2	1	1	0
Uganda	20	9	11	14	3	11
United Republic of Tanzania	209	158	51	336	285	51
Viet Nam	289	219	70	182	150	32
Yemen	7	6	1	5	4	1
Zambia	73	38	35	10	6	4
Zimbabwe	21	16	5	22	19	3
Other	198	140	58	157	90	67
Total	10 819	7 105	3 714	8862	5892	2970

Table 6. Value of major contracts for goods, services and works signed by country of contractor, 1999-2000
(thousands of dollars)

Country	1999 Value	1999 Percentage of international procurement	2000 Value	2000 Percentage of international procurement
Developed countries				
Australia	1 056	0.5	1 281	0.9
Austria	2 066	1.0	1 755	1.2
Belgium	3 003	1.4	3 062	2.1
Canada	2 897	1.3	5 996	4.1
Finland	1 342	0.6	322	0.2
France	9 634	4.4	3 393	2.3
Germany	8 162	3.8	5 423	3.7
Greece	133	0.1	70	0.0
Ireland	389	0.2	416	0.3
Italy	11 320	5.2	7 880	5.4
Japan	7 344	3.4	13 809	9.4
Luxembourg	1 523	0.7	954	0.7
New Zealand	-	-	84	0.1
Spain	8 847	4.1	433	0.3
Switzerland	4 268	2.0	3 242	2.2
United Kingdom	19 205	8.9	17 233	11.7
United States	39 220	18.1	35 399	24.1
Subtotal	120 409	55.6	100 752	68.7
Underutilized major donor countries				
Denmark	4 720	2.2	6 292	4.3
Netherlands	2 100	1.0	7 299	5.0
Norway	1 553	0.7	656	0.4
Sweden	3 085	1.4	345	0.2
Subtotal	11 458	5.3	14 592	9.9
Total developed countries	131 867	60.9	115 344	78.6
Developing countries				
Argentina	5 996	8.0	2 045	1.4
Cambodia	6 130	2.8	-	0.0
Côte d'Ivoire	5 034	2.3	279	0.2
Ecuador	5 208	2.4	-	0.0
Ethiopia	2 383	1.1	46	0.0
Peru	21 862	10.1	2 099	1.4
South Africa	5 241	2.4	4 421	3.0
Turkey	1 658	0.8	-	0.0
Other	30 981	14.3	22 485	15.3
Total developing countries	84 685	39.1	31 375	21.4
TOTAL	216 552	100	146 719	100

Notes: Above table reflects only major contracts over USD 30,000. Does not include procurement undertaken locally pertaining to decentralized operations. The procurement of services, goods and work from developing countries is therefore significantly understated in the above table.

Table 7. Value of equipment ordered by country of vendor, 1999-2000
(thousands of dollars)

Country	1999 Value	1999 Percentage of international procurement	2000 Value	2000 Percentage of international procurement
International procurement				
Developed countries				
Belgium	1 788	0.9	3 062	2.0
Canada	180	0.1	5 006	3.2
France	6 311	3.2	2 295	1.5
Germany	7 583	3.9	5 258	3.4
Italy	11 006	5.7	7 745	5.0
Japan	5 270	2.7	13 731	8.8
Luxembourg	1 327	0.7	954	0.6
Spain	2 734	1.4	327	0.2
Switzerland	6 335	3.3	2 908	1.9
United Kingdom	9 735	5.0	3 362	2.2
United States	32 424	16.7	20 365	13.0
Other	3 012	1.6	3 082	2.0
Subtotal	87 706	45.2	68 095	43.6
Underutilized major donor countries				
Denmark	6 098	3.1	4 832	3.1
Netherlands	3 664	1.9	7 061	4.5
Norway	48	0.0	354	0.2
Sweden	1 168	0.6	245	0.2
Subtotal	10 978	5.7	12 492	8.0
Total developed countries	98 684	50.8	80 587	51.6
Developing countries	33 115	17.1	19 525	12.5
Local procurement	62 423	32.1	55 988	35.9
Total developing countries	95 538	49.2	75 513	48.4
TOTAL	194 222	100	156 100	100